

SAFETY MANAGEMENT CERTIFICATE

Issued under the provisions of the **INTERNATIONAL CONVENTION
FOR THE SAFETY OF LIFE AT SEA, 1974**, as amended

under the authority of the Government of

THE UNITED STATES OF AMERICA

(name of state)

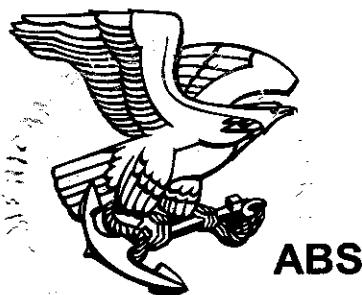
by the **AMERICAN BUREAU OF SHIPPING**

Name of Ship:	<u>EMPRESS OF THE NORTH</u>
Distinctive Number or Letters:	<u>O.N. 1140867</u>
Port of Registry:	<u>JUNEAU, AK.</u>
Type of Ship ¹ :	<u>Passenger Ship</u>
Gross Tonnage:	<u>5975 ITC, 296 NAT</u>
IMO Number:	<u>9263538</u>
Name and Address of Company:	<u>AMERICAN WEST STEAMBOAT COMPANY</u>
	<u>2101 4TH AVENUE, SUITE 1150</u>
	<u>SEATTLE, WA. 98121</u>
	<u>U.S.A.</u>
	(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the Safety Management System of the ship has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), following verification that the Document of Compliance for the Company is applicable to this type of ship.

This Safety Management Certificate is valid until 10 DECEMBER 2008, subject to periodical verification and the Document of Compliance remaining valid.

Completion date of the audit on which this certificate is based: 11 DECEMBER 2003
(dd/mm/yyyy)



Issued at: HOUSTON, TEXAS USA
(place of issue of the document)

Date of Issue: 12 JANUARY 2004

[Redacted signature area]

¹ Insert the type of ship from among the following: Passenger Ship; Passenger High Speed Craft; Cargo High Speed Craft; Bulk Carrier; Oil Tanker; Chemical Tanker; Gas Carrier; Mobile Offshore Drilling Unit; Other Cargo Ship



AMERICAN BUREAU OF SHIPPING STATUTORY SURVEY REPORT

Vessel Name **EMPRESS OF THE NORTH**
Attending Office **Seattle, WA**
First Visit Date **23-Feb-2004**

Class Number **03113441**
Report Number **S500280**
Last Visit Date **24-Feb-2004**

The ABS audit team gathered objective evidence of compliance through the observation of daily activities, interviews of crew member, and the examination of pertinent records on the Passenger Vessel EMPRESS OF THE NORTH, of Port Juneau, AK, United States, Class Number 03113441, IMO Number 9263538, on 23-Feb-2004. The information was compared to the existing policies and procedures of the company, the applicable requirements of ISM code, to determine the level of compliance obtained. The evidence was documented within the audit team's checklists, notes, examples and this report.

A copy of the corrective action requests (CARS) and audit observations, as applicable was left with the Master at the conclusion of the assessment

Survey Location Report	SEATTLE, WA Survey Description	Status	CARs	Observations
S500280_A	ISM Initial Audit - Follow up/Re-Audit/Plan Accepted	Completed	No	No
S500280_B	ISM Additional Audit - Follow up/Re-Audit/Plan Accepted	Completed	No	No
S500280_C	Correction of Outstanding CARS	Completed	No	No

Closing Paragraph

Approved, no corrective action request issued.

Surveyor(s) to The American Bureau of Shipping

Shull, Charles M.

Reviewed By

McDonald, John P.

Date : 26-Feb-2004

Port : Seattle Port

NOTE : This report evidences that the survey reported herein was carried out in compliance with one or more of the Rules, guides, standards or other criteria of the American Bureau of Shipping and is issued solely for the use of the Bureau, its committees, its clients or other authorized entities. This Report is a representation only that the vessel, structure, item or material equipment, machinery or any other item covered by this Report has been examined for compliance with, or has met one or more of the Rules, guides, standards or other criteria of American Bureau of Shipping. The validity, applicability and interpretation of this Report is governed by the Rules and standards of American Bureau of Shipping who shall remain the sole judge thereof. Nothing contained in this Report or in any notation made in contemplation of this Report shall be deemed to relieve any designer, builder, owner, manufacturer, seller, supplier, repairer, operator or other entity of any warranty express or implied.



AMERICAN BUREAU OF SHIPPING STATUTORY SURVEY REPORT

Vessel Name **EMPRESS OF THE NORTH**
Attending Office **Seattle, WA**
First Visit Date **23-Feb-2004**

Class Number **03113441**
Report Number **S500280**
Last Visit Date **24-Feb-2004**

Corrective Action Request

It is recommended that the following Corrective Action Request be dealt with to the satisfaction of the attending Surveyor as follows;

Number	Due by Survey	Due by Date
12, 13, 14		11-Jun-2006

Correction of Outstanding CARS

12

ISM

Opened in Report	PO482832_A	11-Dec-2003	Portland, OR
Plan Accepted in	S500280_C	24-Feb-2004	Seattle, WA
Due By	11-Jun-2006	Minor	Plan accepted

CARs ISM Clause 8.2

No evidence found that emergency drills were being carried out in an effective manner. In particular, steering failure drills with the Shottel system do not include simulation of steering pump failure. Following the recent grounding due to steering failure, more emphasis needs to be placed on system familiarization training and communications between the bridge and engine room. This has been downgraded from a Major to a Minor CAR at this time due to revised Emergency Steering Procedures noted on board in response to the casualty. Documentation of the implementation of more thorough emergency drill remains to be verified.

Plan Acceptance

2. PO482832-ISM-NC-01

AWSC has revised the schedule for drill requirements. Drills schedule will be mandated at a minimum by the regulations to prepare officer and crew to respond quickly and comfortably to an emergency. Analysis and critique of all drills shall be held at each monthly safety meeting. Drills will be noted in the Navigational log and a copy of the detailed drill log will be kept on the vessel and forwarded to the Director of Marine Operations. If for any reason a scheduled drill is not conducted a NCR shall be generated, documenting the reason for not having the drill.

Rectification

13

ISM

Opened in Report	PO482832_A	11-Dec-2003	Portland, OR
Plan Accepted in	S500280_C	24-Feb-2004	Seattle, WA
Due By	11-Jun-2006	Minor	Plan accepted

CARs ISM Clause 5.1.1

No evidence found that the Company required monthly Safety Meetings were being held and minutes taken on the SMM form SMSA-19. This has been downgraded from a Major to a Minor CAR due to the recent implementation of safety meetings with the Master and crew. Documentation of the meetings and agenda remain to be verified.

Plan Acceptance

AWSC now has in place a scheduled a minimum of a monthly safety meeting chaired by the Master of the vessel. Minutes will be taken at each meeting. These minutes will be signed by the captain and a list of who attended the safety meeting will be kept on the vessel and copy of the minutes will be sent to the office so that the Document Control department can verify that these meetings are taking place. If for any reason a monthly safety meeting is not conducted a NCR shall be generated, documenting the reason for not having the meeting.

Rectification

14

ISM

Opened in Report	PO482832_A	11-Dec-2003	Portland, OR
Plan Accepted in	S500280_C	24-Feb-2004	Seattle, WA
Due By	11-Jun-2006	Minor	Plan accepted



AMERICAN BUREAU OF SHIPPING STATUTORY SURVEY REPORT

Vessel Name **EMPRESS OF THE NORTH**
Attending Office **Seattle, WA**
First Visit Date **23-Feb-2004**

Class Number **03113441**
Report Number **S500280**
Last Visit Date **24-Feb-2004**

CARs

ISM Clause 10.2.1

No evidence found that the vessel's fire detection system is being tested by the crew as part of the ongoing preventative maintenance.

Plan Acceptance

All equipment has been identified with a number by AWSC's engineering and a specific schedule has been set for maintenance and testing. Checklist will be used by the engineering department to keep record of the completion of the each task and procedure. The Chief Engineer will insure that all duties are being carried out and will keep all of the completed checklist on the vessel and forward a copy to the Director of Marine Operations. The master Colander of the maintenance program will also be given to the Master of the vessel to verify completion.

Rectification

American Bureau of Shipping

Ship Audit Report - ISM Code

*Type of Audit: _____ Initial/Renewal _____

PRELIMINARY

ABS Report No: _____ PO482832 _____

ABSID or PID: _____ 03113441 _____

Opening Meeting: _____ 10 DEC 2003 1030 _____
(dd/mm/yy & time)

Audit Location: _____ PORTLAND, OR _____

Closing Meeting: _____ 11 DEC 2003 1430 _____
(dd/mm/yy & time)

_____ CASCADE GENERAL S/Y _____

Name of Ship: _____ EMPRESS OF THE NORTH _____

Distinctive Number or Letters: _____ O.N. 1140867 _____

Port of Registry: _____ JUNEAU, AK _____

**Type of Ship: _____ Passenger Ship _____

Gross Tonnage: _____ 5975 ITC _____

IMO Number: _____ 9263538 _____

Name and Address of Company: _____ AMERICAN WEST STEAMBOAT CO., LLC _____
(copy exactly line for line as appears on DOC)

_____ 2101 4TH AVENUE, SUITE 1150 _____

_____ SEATTLE, WA 98121 _____

_____ USA _____

DOC issued by: _____ ABS _____ Class: _____ ABS _____

Flag: _____ USA _____ Class Ship Type: _____ PASSENGER CRUISE VESSEL _____

Lead Auditor: _____ CHARLES SHULL _____ 2nd Auditor: _____ -- _____
(print name) (print name)

Observer 1: _____ -- _____ Observer 2: _____ -- _____
(print name) (print name)

(ABS Division Office Use only)

Reviewed by: _____ Date: _____
(dd/mm/yy)

*When filling in the form by hand, insert one of the following: Interim, Initial/Renewal, Intermediate, Follow-up, Additional, Pre-assessment

**Insert the type of ship from among the following: Passenger Ship, Passenger High Speed Craft, Cargo High Speed Craft, Bulk Carrier, Oil Tanker, Chemical Tanker, Gas Carrier, Mobile Offshore Drilling Unit, Other Cargo Ship

1.0 Summary

The ABS audit team gathered objective evidence of compliance through the observation of daily activities, interviews of crew members, and the examination of pertinent records on board the ship. This information was compared to the existing policies and procedures of the company and the requirements of the ISM Code to determine the level of compliance obtained. This evidence was documented within the audit team's checklists, notes, examples, and this report. A copy of the corrective action requests (CARs) and audit observations was left with the ship's Master at the conclusion of the assessment.

In accordance with the requirements of the ISM Code Certification Program, the audit team provided the following recommendation for certification:

Approval (No CARs) ☐

Approval, pending submittal and acceptance of corrective action plan to be implemented prior to:

10 JANUARY 2004

☒

(dd/mm/yy)

Verification of corrective action required. (all majors)

☒

- Follow up: required

Not Approved; re-audit required. ☐

Nonconformances were identified and documented in ABS Corrective Action Requests (CARs) as follows:

Item	CAR No.	ISM Clause	Major
1.	PO482832-ISM-NC-01	8.2	<input type="checkbox"/>
2.	PO482832-ISM-NC-02	5.1.1	<input type="checkbox"/>
3.	PO482832-ISM-NC-03	10.2.1	<input type="checkbox"/>
4.			<input type="checkbox"/>
5.			<input type="checkbox"/>
6.			<input type="checkbox"/>
7.			<input type="checkbox"/>
8.			<input type="checkbox"/>
9.			<input type="checkbox"/>
10.			<input type="checkbox"/>
11.			<input type="checkbox"/>
12.			<input type="checkbox"/>
13.			<input type="checkbox"/>
14.			<input type="checkbox"/>

See individual CARs for details.


Lead Auditor (signature)


2nd Auditor (signature)

1.1 Assessment Remarks

Last ship survey status date: 9 DECEMBER 2003 DOC date of expiration: 31 JULY 2004
 (dd/mmm/yy) (dd/mmm/yy)

Last shipboard internal audit date: 9 DECEMBER 2003 Last Master's review of the shipboard management system: N/A
 (dd/mmm/yy) (dd/mmm/yy)

Actions taken to correct non-conformities identified during previous external shipboard audit verified? Not Applicable ☒ Yes ☐ No ☐

Indicate CAR no(s) for which corrective actions not verified (If checked "No" above) N/A

This is a 235 passenger, coastwise service cruise vessel. The vessel is classed and carries a Load Line Certificate issued by ABS. The SOLAS certificates are issued by USCG. The vessel operates in Alaska and in the rivers of Oregon and California. The normal crew compliment is 84 including 8 USCG Licensed Officers.

The vessel received its Interim Safety Management Certificate on 6 August 2003.

On 27 November 2003 the vessel suffered a hard grounding on the Columbia River near The Dalles, OR. The cause of the grounding was reportedly initiated by both the Shottel Z-drive steering pumps failing. The pumps were turned off by some unknown action. A steering pump failure alarm was reportedly heard in the engine room and not in the pilot house. The crew was unable to duplicate the failures. The vessel was attended in the drydock in Portland, OR, by reps from Shottel, USCG Investigations, Tom Doyle representing the ship builder, and Henry Reeve from ABS Safety Analysis Group. Yet to attend are reps from GE, builders of the propulsion and alarm equipment. No reports are available at this time from any of the parties involved. It was verified that no problems with the system were found by any of the investigations to date.

In accordance with Commander D.T. Pippenger (USCG) letter dated 3 Dec 2003 to Mr. Wengel, Master of the Empress Of The North, an External Audit was carried out on the vessel to verify the effectiveness of the SMS.

The crew was interviewed and found to be familiar with the company policies and with their emergency stations. The department heads were found to be familiar with company procedures and were aware of the non-conformance reporting procedures. The maintenance of the vessel appears to be carried out and is documented on paper format. No hazardous conditions were noted during tours of the vessel.

The SMS mandated monthly safety meetings were not being carried out. The SMM provided agenda/minutes form has not been used. The Master is required to verify that specific requirements are observed. This is a Major CAR, downgraded to a Minor at this time due to safety meetings being held since the accident.

As a result of the accident, the crew has revised the emergency steering procedures. Further changes have been made to emergency drill procedures to improve communications between engineers and deck department. A Minor CAR has been written to verify effectiveness of the new procedures.

A Short Term (3 month) SMC was issued at this time.

A follow-up audit is required within three (3) months prior to issuance of the full term Safety Management Certificate (SMC).

2.0 Audit Program

The assessment began with an opening meeting. The discussion covered the scope and purpose of the audit, the audit schedule and process, and the escort responsibilities. (see attached Attendance Records.)

The audit team gathered evidence by performing the assessment in accordance with ABS procedures. The auditors interviewed personnel at all levels of the organization (see Interviewee List or Crew List), and examined pertinent records within appropriate departments in order to establish compliance with the applicable clauses of the ISM Code. The *Ship Audit Plan* depicts the departments audited and the clauses against which they were assessed. (see *Ship Audit Plan*).

The audit ended with a closing meeting. The discussion included a review of the verification activities as carried out, presentation of the corrective action requests (CARs), and review of the notable observations made during the course of the audit.

Audit Team Qualifications:

Lead Auditor:

Chalres Shull

2nd Auditor:

B. Sc. Marine Eng.

ABS ISM Auditor, Surveyor

USCG Lic. Eng.

3.0 Exhibits/Attachments

- 3.1 Corrective Action Requests (CARs), SESC-03
- 3.2 Observation, SESC-04 (*where applicable*)
- 3.3 Attendance Record, SESC-18
- 3.4 Interviewee List, SESC-19 or Crew List (*identifying crew members interviewed*)
- 3.5 Ship Audit Plan, SESC-48

4.0 Retention Time

This audit report must be retained by the company for a period not less than five years and must be made available to ABS auditor(s) upon request.

American Bureau of Shipping
CORRECTIVE ACTION REQUEST (CAR)

CAR NO.: S494334-ISM-NC-01
COMPANY: AMERICAN WEST STEAMBOAT CO.
LOCATION: SEATTLE, WA

AUDIT DATE: 2 FEB 2004

DEPARTMENT & FUNCTION AUDITED: OPERATIONS/DOCS Auditor: C. SHULL

STANDARDS CLAUSES APPLIED : ISM: 5.1 SQE Guide: ISO:

NONCONFORMANCE:

Srl No.	Major Y / N	Description
A	N	No evidence found that the Masters Voyage Report form was being completed and sent to the office as required by 3.1.2 of the SMM Fleet Instructions..
B	N	No evidence found of the Masters review of the SMM was found in the office as required by 8.8.6 of the SMM Office Manual.

Signature: _____

Company Representative

Signature: _____

Lead Auditor

CAR Closed on: _____

(dd/mm/yyyy)

Signature: _____

Lead Auditor

Signature acknowledges Company's receipt of the CAR. Response to the above nonconformance(s) should be submitted within 30 days following the last day of the audit. The corrective action plan should be implemented within 90 days following the last day of the audit, or as per schedule agreed with the auditor.

American Bureau of Shipping
CORRECTIVE ACTION REQUEST (CAR)

CAR NO.: PO482832-ISM-NC-01 **AUDIT DATE:** 10-11 DEC 2003
COMPANY: AMERICAN WEST STEAMBOAT CO.
LOCATION: "EMPRESS OF THE NORTH" CASCADE GENERAL SHIPYARD, PORTLAND, OR

DEPARTMENT & FUNCTION AUDITED: Deck/Eng- Emerg. Prep. **Auditor:** C. Shull

STANDARDS CLAUSES APPLIED : **ISM:** 8.2 **SQE Guide:** -- **ISO:** --

NONCONFORMANCE:

Srl No.	Major Y / N	Description
A	N	<p>No evidence found that emergency drills were being carried out in an effective manor. In particular, steering failure drills with the Shottel system do not include simulation of steering pump failure. Following the recent grounding due to steering failure, more emphasis needs to be placed on system familiarization training and communications between the bridge and engine room.</p> <p>This has been downgraded from a Major to a Minor CAR at this time due to revised Emergency Steering Procedures noted on board in response to the casualty. Documentation of the implementation of more thorough emergency drill remains to be verified.</p>

Signature:


Company Representative

Signature:


Lead Auditor



CAR Closed on:

(dd/mm/yy)

Signature:

Lead Auditor

Signature acknowledges Company's receipt of the CAR. Response to the above nonconformance(s) should be submitted within 30 days following the last day of the audit. The corrective action plan should be implemented within 90 days following the last day of the audit, or as per schedule agreed with the auditor.

American Bureau of Shipping

CAR NO.: PO482832-ISM-NC-02

AUDIT DATE: 10-11 DEC 2003

COMPANY: AMERICAN WEST STEAMBOAT CO.

LOCATION: "EMPRESS OF THE NORTH" CASCADE GENERAL SHIPYARD, PORTLAND, OR

DEPARTMENT & FUNCTION AUDITED: Deck-Master's Resp.

Auditor: C. Shull

STANDARDS CLAUSES APPLIED : **ISM: 5.1.1**

SQE Guide: -- **ISO:** --

NONCONFORMANCE:

Srl No.	Major Y / N	Description
A	N	No evidence found that the Company required monthly Safety Meetings were being held and minutes taken on the SMM form SMSA-19. This has been downgraded from a Major to a Minor CAR due to the recent implementation of safety meetings with the Master and crew. Documentation of the meetings and agenda remain to be verified.

Signature: _____
Company Representative

Signature: _____
Lead Auditor

CAR Closed on: _____
(dd/mm/yyyy)

Signature: _____
Lead Auditor

Signature acknowledges Company's receipt of the CAR. Response to the above nonconformance(s) should be submitted within 30 days following the last day of the audit. The corrective action plan should be implemented within 90 days following the last day of the audit, or as per schedule agreed with the auditor.

American Bureau of Shipping
CORRECTIVE ACTION REQUEST (CAR)

CAR NO.: PO482832-ISM-NC-03 **AUDIT DATE:** 10-11 DEC 2003
COMPANY: AMERICAN WEST STEAMBOAT CO.
LOCATION: "EMPRESS OF THE NORTH" CASCADE GENERAL SHIPYARD, PORTLAND, OR

DEPARTMENT & FUNCTION AUDITED: Engineering, Maintenance **Auditor:** C. Shull

STANDARDS CLAUSES APPLIED : **ISM:** 10.2.1 **SQE Guide:** -- **ISO:** --

NONCONFORMANCE:

Srl No.	Major Y / N	Description
A	N	No evidence found that the vessel's fire detection system is being tested by the crew as part of the ongoing preventative maintenance.

Signature: _____
Company Representative

Signature: _____
Lead Auditor

CAR Closed on: _____
(dd/mm/yyyy)

Signature: _____
Lead Auditor

Signature acknowledges Company's receipt of the CAR. Response to the above nonconformance(s) should be submitted within 30 days following the last day of the audit. The corrective action plan should be implemented within 90 days following the last day of the audit, or as per schedule agreed with the auditor.

SAFETY MANAGEMENT CERTIFICATE

Issued under the provisions of the **INTERNATIONAL CONVENTION
FOR THE SAFETY OF LIFE AT SEA, 1974**, as amended

under the authority of the Government of

United States of America

(name of state)

by the **AMERICAN BUREAU OF SHIPPING**

Name of Ship: EMPRESS OF THE NORTH
 Distinctive Number or Letters: 1140867 WDB4791
 Port of Registry: Juneau, AK
 Type of Ship:¹ Passenger Ship
 Gross Tonnage: 5975
 IMO Number: 9263538
 Name and address of the Company: **AMERICAN WEST STEAMBOAT CO. LLC**

2723 NORTH HAYDEN DRIVE

PORTLAND OR 97217 United States

(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY the Safety Management System of the ship has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), following verification that the Document of Compliance for the Company is applicable to this type of ship.

This Safety Management Certificate is valid until **10 December 2008**, subject to periodical verification and the Document of Compliance remaining valid.

Completion date of the audit on which this certificate is based: 11/12/2003
 (dd/mm/yyyy)



Issued at: **SESC Houston**
 (place of issue of the document)

Date of Issue: **05 July 2005**

Kelleher Jr., Maurice S., Americas International Safety Mgmt

(Signature of the duly authorized official issuing the certificate)

¹ Insert the type of ship from among the following: Passenger Ship; Passenger High Speed Craft; Cargo High Speed Craft; Bulk Carrier; Oil Tanker; Chemical Tanker; Gas Carrier; Mobile Offshore Drilling Unit; Other Cargo Ship